

Equipment Leasing and Finance Association's
Survey of Economic Activity: Monthly Leasing and Finance Index
February New Business Volume Up by 22 Percent Year-over-year

Washington, DC, March 27, 2012— The [Equipment Leasing and Finance Association's](#) (ELFA) [Monthly Leasing and Finance Index \(MLFI-25\)](#), which reports economic activity for the \$628 billion equipment finance sector, showed overall new business volume for February was \$5.0 billion, up 22 percent from volume of \$4.1 billion in the same period in 2011. Volume was down two percent from the previous month. Year-to-date cumulative new business volume is up 22 percent.

Credit quality metrics were mixed. Receivables over 30 days increased to 2.5 percent in February, up from a two-year low of 1.9 percent in January, due to higher-than-normal delinquencies reported by one of the 25 companies responding to the survey. Charge-offs were unchanged from the previous month at 0.5 percent. Credit approvals rose to 79 percent in February up from 77 percent in January.

Finally, total headcount for equipment finance companies in February remained unchanged from the previous month, and was down 3.0 percent year over year. Supplemental data show that the construction and trucking industries continued to lead the underperforming sectors.

Separately, the **Equipment Leasing & Finance Foundation's** Monthly Confidence Index (MCI-EFI) for March is 61.7, up from the February index of 59.6, indicating industry participants are optimistic despite concerns that external factors, including gas prices and the upcoming elections, may have on the market. For more detailed information on the MCI-EFI visit www.LeaseFoundation.org

[ELFA President and CEO William G. Sutton, CAE](#), said: “The data show that companies continue to invest in equipment, replacing obsolete and worn assets in some sectors while beginning to expand in others. The roller coaster trend pattern of our credit-quality metrics, aging of receivables, charge-offs and credit approvals are caused by the unique aspects of different sectors and their cash-flow cycles. However, we see them continuing to move in a positive direction overall.”

[Jerry Newell, Executive Vice President, Bank of the West](#), headquartered in San Francisco, CA, said, “Bank of the West Equipment Finance has seen an increase in capital spending and equipment finance activity across most equipment sectors including technology, manufacturing, construction, healthcare, and agriculture. Much of this activity is for replacement equipment that was deferred in the downturn, but we have also noted capital spending for expansion which is a positive sign. While a few industry segments remain soft, overall we are cautiously optimistic that the equipment leasing and finance industry will continue to see growth at a moderate pace this year.”

About the ELFA's MLFI-25

The **MLFI-25** is the only index that reflects **capex**, or the volume of commercial equipment financed in the U.S. The **MLFI-25** is released globally at 8 a.m. Eastern time from Washington,

D.C., each month, on the day before the **U.S. Department of Commerce** releases the [durable goods report](#). The **MLFI-25** is a financial indicator that complements the durable goods report and other economic indexes, including the [Institute for Supply Management Index](#), which reports economic activity in the manufacturing sector. Together with the **MLFI-25** these reports provide a complete view of the status of productive assets in the U.S. economy: **equipment produced, acquired and financed**.

The MLFI-25 is a time series that reflects two years of business activity for the 25 companies currently participating in the survey. The latest MLFI-25, including methodology and participants is available below and also at <http://www.elfaonline.org/Research/MLFI/>

MLFI-25 Methodology

The ELFA produces the MLFI-25 survey to help member organizations achieve competitive advantage by providing them with leading-edge research and benchmarking information to support strategic business decision making.

The MLFI-25 is a barometer of the trends in U.S. capital equipment investment. Five components are included in the survey: **new business volume** (originations), **aging of receivables, charge-offs, credit approval ratios**, (approved vs. submitted) and **headcount** for the equipment finance business.

The MLFI-25 measures monthly commercial equipment lease and loan activity as reported by participating ELFA member equipment finance companies representing a cross section of the equipment finance sector, including small ticket, middle-market, large ticket, bank, captive and independent leasing and finance companies. Based on hard survey data, the responses mirror the economic activity of the broader equipment finance sector and current business conditions nationally.

ELFA MLFI-25 Participants

ADP Credit
BancorpSouth Equipment Finance
Bank of America
Bank of the West
BB&T Bank
BMO Harris Equipment Finance Company
Canon Financial Services
Caterpillar Financial Services
CIT
De Lage Landen Financial Services
Dell Financial Services
EverBank Commercial Finance
Fifth Third Equipment Finance Company
First American Equipment Finance

GreatAmerica
Hitachi Credit America
HP Financial Services
Huntington Equipment Finance
John Deere Financial
Key Equipment Finance
M&T Bank
Marlin Leasing
Merchants Capital
PNC Equipment Finance
RBS Asset Finance
SG Equipment Finance
Siemens Financial Services
Stearns Bank
Suntrust
Susquehanna Commercial Finance
US Bancorp Equipment Finance
Verizon Capital
Volvo Financial Services
Wells Fargo Equipment Finance

About the ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$628 billion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its over 550 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packagers and investment banks, as well as manufacturers and service providers. ELFA has been equipping business for success for more than 50 years. For more information, please visit www.elfaonline.org.

ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit <http://www.elfaonline.org/Research/> for additional information.

The **Equipment Leasing & Finance Foundation** is the non-profit affiliate to the Equipment Leasing and Finance Association, providing future-focused research to the equipment finance industry. For more information please visit the website at www.leasefoundation.org